

SURREY POLICE AND CRIME PANEL

7

SURREY POLICE GROUP FINANCIAL REPORT FOR MONTH 2 (31st May) FINANCIAL YEAR 2017/18 13th July 2017

SUMMARY

The purpose of this report is to inform the Police & Crime Panel of the Surrey Police Group (i.e. Finances of both the PCC and Chief Constable) financial position as at the 31st May 2017, comparing the expenditure and income incurred by both Surrey Police and the Office of the Surrey Police & Crime Commissioner, with the revenue and capital budgets approved by the Police & Crime Commissioner in January 2017 for the financial year 2017/18.

1) Introduction

The gross revenue budget for the year is £212.6 million (£210.5 million Surrey Police & £2.1 million OPCC) an increase of £6.9 million compared to last years gross revenue budget of £205.7 million.

At the 31st May, the variance of total expenditure and income against budget was an under spend of £5.5 million, with an end of year forecast that this figure would decrease to an under spend of £2.2 million. Forecasts based on just two month's figures should be treated with a degree of caution with forecasts becoming more reliable as the months pass. This is particularly the case as the Sussex/Surrey Joint Finance Team experienced a significant degree of financial volatility in the production of last year's financial forecasts, although recent steps have been taken to try and rectify the problems that were experienced last year and from month 3 onwards it is expected that the forecasts will be more accurate and reliable.

2). Individual Significant Revenue Budget Variances

A Financial Overview statement is provided at Appendix A to this report, which shows individual business unit financial variances. The reasons for any significant variances are given below:-

2.1 North, East & West Division, Specialist Crime, Operations, Public Protection & Criminal Justice, Probationers and Contact Management: These budgets are collectively under spent by just over £4.1 million, primarily because of the variances in pay rates arising from recent turnover in officers, which has resulted in the number of new police officers actually employed being paid less than the amount that was originally budgeted

for longer serving members of the Force. The average number of officers in post during the first two months of the year was 1939 and it is expected that the number in post will stay close to the establishment figure of 1927 for the remainder of the year. Police Staff pay is under spent, with an expectation that the number of police staff employed by the Force will reduce during the remainder of the year. By the 31st March it is forecast that the total under spend on this group of budgets will have reduced to £3.9 million.

3). Capital Position

A detailed Capital Report can be found at Appendix B to this report.

The PCC approved Capital Budget for 2017/18 is £14.2 with £2.7 million being carried forward from last year making a total Capital Budget of £16.9 million. Total capital expenditure at month 2 is £1.7 million with future committed orders totalling £2.1 million.

4). Summary

It is difficult to draw any firm conclusions from just two months data but the positive news is that based on current data the Surrey Police Group finances are forecasted to report a significant under spend at the year-end and the risk of an over spend is seen as minimal at this stage.

EQUALITIES & DIVERSITY IMPLICATIONS:

None arising.

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